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FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8949
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6598
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6906
RUEHKA/AMEMBASSY DHAKA PRIORITY 2205
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4946
RUEHLO/AMEMBASSY LONDON PRIORITY 6162
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2566
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0186
RUEHCI/AMCONSUL KOLKATA PRIORITY 4278
RUEHGV/USMISSION GENEVA PRIORITY 2130
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3278
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000853

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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [KDEM](#) [NP](#)
SUBJECT: NEPAL: GOVERNMENT NEGOTIATIONS BEGIN

Classified By: Charge d'Affaires a.i. Randy W. Berry. Reasons 1.4 (b/d).

Summary -----

¶1. (C) Political parties, under Maoist leadership, have finally begun earnest talks on government formation. Nepali Congress leaders are concerned that the Communist Party of Nepal - United Marxist Leninist will split from Congress in favor of an alliance with the Maoists, while the United Marxist Leninist leaders are weighing their options. Student groups have agreed to end their protests against Vice-President Jha taking his oath in Hindi. Negotiations are likely to take some time, with ups and downs before concluding.

Maoists Taking Lead in Government Formation -----

¶2. (U) Now that the wrangling over the positions of President, Vice-President, and Chairman of the Constituent Assembly has been resolved, the political parties have begun talks on government formation in earnest. On July 28 the Maoists took the lead and invited all 25 parties represented in the Constituent Assembly together to discuss government formation (consensus government under Maoist leadership) and a common program for the government. (Note: Two parties, Nepal Workers and Peasants Party and the National People's Power Party, which have four and three members respectively, did not attend the meeting. End note.) Maoist leaders appeared satisfied with the discussion and have announced they will call another 25-party meeting once they have drafted a proposal.

NC and UML Leadership Weighing Options -----

¶3. (C) Prakash Sharan Mahat, Central Committee Member and Constituent Assembly Member for Nepali Congress (NC), told Emboff July 29 that to NC the Maoists appear closer to the Communist Party of Nepal - United Marxist Leninist (UML) now. (Note: An early morning meeting on July 29 between caretaker Prime Minister Girija Prasad Koirala and Madhav Kumar Nepal, former General Secretary and now Head of the Foreign Department of the UML, appears intended to shore up the NC-UML alliance in face of Maoist overtures to the UML. End

note.) He stated that Prime Minister Koirala planned to meet separately with Madhesi Forum leader Upendra Yadav, UML General Secretary Jhalanath Khanal, and Maoist leader Pushpa Kamal Dahal to discuss government formation and the upcoming SAARC Summit. Mahat opined that he did not see government formation taking place soon.

¶4. (C) Bhim Rawal, Central Committee Member and Constituent Assembly Member for UML, confirmed to Emboff that due to the morning meeting between Prime Minister Koirala and M.K. Nepal a planned meeting between Maoist and UML leaders had been postponed. Rawal stated that both M.K. Nepal and Jhalanath Khanal had told the Prime Minister that President Yadav should lead Nepal's delegation to SAARC. Rawal sounded disappointed that the NC had ignored the UML's suggestion to hold multi-party talks to discuss the SAARC agenda and composition of Nepal's delegation. Both Mahat and Rawal stated that the next 25-party meeting had not been scheduled.

Student Leaders Decide to Withdraw Protest Program Against Jha

¶5. (C) Representatives of eight student organizations (affiliated with Maoists, UML, NC, Nepal Workers and Peasants Party, Peoples Front Nepal, Marxist-Leninists, Nepal Sadbhavana Party-Anandadevi, and Communist Party of Nepal-Marxists) met in Kathmandu this morning and decided to withdraw their protest program against Vice-President Jha for having taken his oath of office in Hindi. Pradeep Poudel, NC

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student leader, told Emboff July 29 that after the Supreme Court announces its decision on the writ filed against Jha, the student organizations will consider whether to resume the protests. (Note: July 28 the Supreme Court asked the Offices of the Vice-President and Prime Minister to submit written briefs regarding Jha's oath-taking in Hindi. Part 1, Article 5(2) of the Interim Constitution states that "The Nepali language in Devnagri script shall be the official language for Government business." The Fourth Amendment to the Constitution lays out more details on the office of President and Vice-President and includes the oath of office, but no clauses deal with language. End note.) Poudel also noted that he expected it to take some time to get the word to all protesters, and even then some would likely continue to burn tires and throw stones. The violence took a turn for the worse July 28 with the Madhesi Forum youth wing setting ablaze and ransacking the UML district office in Saptari (in eastern Terai) in reaction against several student organizations vandalizing the Madhesi Forum office in Kathmandu.

Comment

¶6. (C) More than three months after the April 10 Constituent Assembly elections it is a positive sign that the parties finally appear serious about forming a new government. Some parties, including the Maoists and NC, do not appear unified about whether to join the new government, at least talks have begun. PM Koirala's hope that he can remain as Prime Minister in the new government appears to be behind his decision to lead the SAARC delegation and to reach out to UML leaders to keep the alliance together. No other parties appear to be supporting the cabinet's decision to send to SAARC an NC laden delegation led by the PM, but they may not have enough time to agree on an alternate delegation. Although protests against Jha may decrease, with the country's fuel supply is very low and food prices still high it would not take much to spark another round of unrest.

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